

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

ITEM # 4

AGENDA ID # 13221

ENERGY DIVISION

RESOLUTION E-4680 (Rev. 1)

September 11, 2014

R E S O L U T I O N

Resolution E-4680. Approve amended On Bill Repayment (OBR) tariffs for Energy Efficiency finance pilots to comply with OP 11 of D.13.09.044

PROPOSED OUTCOME:

- This Resolution approves as amended here the four draft OBR tariffs filed in December of 2013 by Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), Southern California Gas Company (SCG), and San Diego Gas and Electric Company (SDG&E).
- The Resolution requires the four IOUs to re-file the approved tariffs after the California Alternative Energy and Advanced Financing Authority (CAEATFA) hires a master servicer later this year.

SAFETY CONSIDERATIONS:

- There are no safety considerations in relation to these financing pilot programs.

ESTIMATED COST:

- There are no additional ratepayer costs associated with this Resolution beyond the \$75,244,931 authorized by D.12-11-015, of which \$65.9 million was allocated by D.13-09-044.

By Advice Letters:

Pacific Gas and Electric Company Advice Letter (AL) 3443-G/4338-E filed on December 30, 2013, Southern California Edison AL 190-G/2991-E filed on December 30, 2013, Southern California Gas Company AL 4582 filed on December 19, 2013, and San Diego Gas and Electric AL 2560-E/2255G filed on December 19, 2013.

SUMMARY

This Resolution approves as amended here the four draft OBR tariffs filed in December of 2013 by Pacific Gas and Electric Company, Southern California Edison Company, Southern California Gas Company, and San Diego Gas and Electric Company.

The Resolution requires the four IOUs to re-file the approved tariffs after the California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA) hires a master servicer contractor – if CPUC staff, in consultation with CAEATFA, decide updates to the tariffs are needed. CPUC staff would inform the IOUs of the necessary updates.

By Advice Letter (AL) 3443-G/4338-E and 190-G/2991-E filed on December 30, 2013, and AL 4582, and 2560-E/2255G filed on December 19, 2013, PG&E, SCE, SCG and SDG&E (subsequently referred to as the “Joint Utilities”), sought to comply with Ordering Paragraph (OP) 11 of Decision (D) 13-09-044 requiring utility submission of a proposed On Bill Repayment tariff that reflects the requirements established in D.13-09-044.

PG&E and SCE filed their ALs as Tier III because they proposed a partial payment mechanism that did not comply with D.13-09-044. We include SDG&E and SCG tariffs here in order to revise and approve them at the same time as PG&E and SCE’s tariffs.

BACKGROUND

D.13-09-044, the Finance Decision, directed the implementation of energy efficiency financing pilot programs to be operated under the statewide California Hub for Energy Efficiency Financing by CAEATFA, contingent upon CAEATFA's receipt of Legislative budget authority, which CAEATFA gained on July 1, 2014. The decision approved pilots in the single family, master-metered multi-family and small business sectors, as well as one pilot for businesses of any size. D.13-09-044 was the culmination of years of CPUC-led public scoping to create pilots that use ratepayer funds to enhance the terms of private financing.

Besides many day-long public workshops held to develop the pilot framework between 2010 and 2012, major milestones include:

- D.09-09-047 directed Commission staff to explore a wide range of additional financing possibilities and oversee preparation of a report that recommends the most-promising approaches that should be considered in California.
- AB 758 (2009, Skinner and Bass) directed the Commission to investigate the ability of electrical and gas corporations to provide energy efficiency (EE) financing options for comprehensive energy retrofits for residential and non-residential customers in the existing building stock.
- An ALJ Ruling on January 10, 2012 included a staff proposal suggesting the development of a larger efficiency financing program supported by both ratepayer and private capital funds and including an on-bill repayment structure and the creation of an energy loan and project performance data base.
- D.12-05-015 directed the Investor Owned Utilities (IOUs) to expand EE financing and hire an expert finance consultant to work with them, Commission staff, the CEC and stakeholders to design at least four new financing programs. The consultant filed recommendations in October of 2012. Because it was too late for the November EE portfolio budget decision to fully consider the recommendations, and party comments on them, D.12-11-015 authorized a budget of \$75,244,931 for the finance pilots but left the implementation details to later Commission action, which D.13-09-044 completed.

D.13-09-044 ordered the Joint Utilities to file compliant tariffs for the On Bill Repayment (OBR) pilots by December 30, 2013. The OBR pilots that these tariffs apply to include: small business loan and lease programs, a non-credit-enhanced loan program for any size of non-residential customer, and a small pilot for master-metered multi-family complexes with low-income residents.

The three non-residential OBR pilots are innovative in their design and will give the CPUC an opportunity to test the efficacy of three key design features: 1) collection of loan or lease charges as part of the utility bill, 2) disconnection of utility service for failure to pay the loan or lease charges, and 3) transfer of

the debt obligation to the next metered customer, if the lender and the new customer both consent.

NOTICE

Notice of AL 3443-G/4338-E et al. was made by publication in the Commission's Daily Calendar. The four Joint Utilities state that a copy of the Advice Letter was mailed and distributed in accordance with Section 4 of General Order 96-B.

PROTESTS

There were no protests.

DISCUSSION

Commission staff has reviewed these draft tariffs and identified revisions needed for compliance, as well as to support the design and intent of the pilots as approved in D.13-09-044 and previous decisions. The revisions are listed below by utility.

PG&E and SCE filed their tariffs as Tier III Advice Letters noting that the partial payment mechanisms they propose do not comply with D.13-09-044. We don't accept their proposal to use waterfall partial payment mechanisms, and note that PG&E and SCE should file a Petition to Modify the Decision if they seek to change it.

In addition, we direct the Joint Utilities to work with Commission staff and CAEATFA on a letter specifically for pilot participants that are past due in their payments. This letter is referred in revisions below under the "Billing and Payment of OBR Charges" section of the tariff.

We also direct the Joint Utilities to refile these approved tariffs after CAEATFA has hired a master servicer, if Commission staff in consultation with CAEATFA determine that more changes to the tariffs are necessary.

The changes here seek to support the intent of D.13-09-044 to attract lenders and customers to participate in and test the innovative features of the OBR pilots. Among changes are those that seek to clarify when the Joint Utilities can unilaterally remove an OBR charge from the bill. Two changes seek to bolster

consumer protection by further specifying notice regarding non-residential customers' liability for disconnect, and handling of overpayments where the customer is attempting to pre-pay the debt obligation but erroneously sends the check to the utility.

COMMENTS

Public Utilities Code section 311(g)(1) provides that this resolution must be served on all parties and subject to at least 30 days public review and comment prior to a vote of the Commission. Section 311(g)(2) provides that this 30-day period maybe reduced or waived upon the stipulation of all parties in the proceeding;

The 30-day comment period for the Draft Resolution was neither waived nor reduced. Accordingly, the Draft Resolution was mailed to parties for comments on August 11, 2014, and was placed on the Commission's agenda on September 11, 2014.

Summary of Comments

Comments and amendments to the Draft Resolution are discussed below in the order that they appear in the Draft Resolution, which generally follows the order they appear in the draft tariffs.

Comments on the Draft Resolution were submitted by PG&E, SCE, and jointly by SDG&E and SoCalGas, referred to below as "the Sempra Utilities." The utilities disagree with many of the proposed revisions to the draft OBR tariffs. In addition to commenting on the proposed revisions, the Joint Utilities and SCE offered alternative revisions that they believe are preferable and should be used in lieu of those presented by the CPUC.

Comments on Draft Resolution Revisions to the Proposed Tariffs

1. Definition

PG&E requests demand response (DR) and distributed generation (DG) measures be termed "qualified" measures for consistency.

2. OBR Charge Presentation on Bill

The Sempra Utilities argue that the presentation of the OBR charge on the bill must be subject to what is required by law and sensitive to cost. The Sempra Utility billing systems require uniform treatment across lenders to automate OBR charges. Requirements should be determined by the CHEEF.

3. Past Due OBR Charges in Section 2, “Billing and Payment of OBR Charges”

PG&E rejects a revision to the “Billing and Payment of OBR Charges” section of the draft tariff. (See Section 2, Page 7 of August 11, 2014 Draft Resolution) PG&E asserts that it cannot be responsible for collecting unpaid OBR installment payments that were previously included on the utility bill. PG&E should no longer be responsible for collecting these installments if it removes the OBR charge from the bill.

4. Consolidate OBR Charge on One Bill

PG&E, SCE and the Sempra Utilities disagree with a proposed revision that would place the OBR charge on the bill of the utility where the greatest savings are likely to occur, in cases where a customer has OBR charges for both gas and electric measures in a service area with more than one participating IOU. (Section 3, Page 8 of August 11, 2014 Draft Resolution) Instead, the charges should be allocated between the two IOUs in proportion to the financed amounts, as is done with the On Bill Finance program, according to the Sempra Utilities. Placing the OBR charge on just one bill would dilute the intended effect of the disconnection feature because a customer might only be in default of one IOU bill, and not the other. SCE fears that it will likely service a greater number of loans and inappropriately subsidize SoCalGas ratepayers, take on additional costs, administrative support, implementation risk, etc. without corresponding benefits for its electric customers. SCE cannot track savings or costs associated with gas measures and could not transmit this loan or project data to the CHEEF. There would still need to be two credit enhancement funds for a loan that spanned two IOU territories.

The Sempra Utilities & SCE also argue the Draft Resolution does not define “greatest savings.” The SempraUtilities say that must be defined, and should be defined as the largest amount of annual utility cost savings based on the bill impact analysis presented to the customer at the time the customer commits to the project.

5. Notice to CHEEF of Customer Service Termination

The Sempra Utilities believe it is burdensome for the Draft Resolution to shorten the amount of time from 30 to five days for an IOU to notify the CHEEF of voluntary or involuntary termination of service (unless the CHEEF determines a later timing is sufficient.) The Joint Utilities do not see the benefit of a briefer amount of time and believe the 30-day timing will better support coordination between parties and should not be altered. (Section 5, Page 9 of August 11, 2014 Draft Resolution)

6. When Service Is Disconnected for Reasons other than Non-Payment

PG&E requests deletion of a proposed revision requiring the IOU to retain the OBR charge on the bill of a customer whose service was disconnected for reasons other than non-payment, unless the customer will not reconnect service at the same address. (Section 5, Page 9 of August 11, 2014 Draft Resolution) PG&E says this revision confuses service disconnection with account termination. PG&E goes on to explain that under Rule 11, customers are subject to involuntary service disconnection for issues such as vegetation management, safety, or unauthorized use of energy (as well as non-payment). In these cases, PG&E can stop utility service at the customer premise until such time as the issue is resolved. However, disconnection of service does not necessarily stop the billing process. If the customer’s service agreement is closed, the customer would still receive a bill unless all utility service agreements are closed and the customer billing is terminated.

The Sempra Utilities say they can comply with this revision when they suspend service and then restart it following resolution of a service issue such as dwelling fumigation tenting. However, this should not apply to instances where a

customer is disconnected due to non-payment where the account is terminated, they say. In such circumstances the customer receives a closing bill which includes all applicable charges, including the OBR charge. The IOUs do not issue further bills after this termination stage. Collection of OBR charges would transition to the lender. The IOUs cannot continue to issue the customer bills for OBR alone.

7. Real-time Data on IOU Collection Attempts

PG&E concurs with a proposed addition (1st New Section, Page 12 of the August 11, 2014 Draft Resolution) but requests that it be moved to the Customer Agreement, and clarified. This addition would require each IOU to provide the CHEEF with accurate and timely data on customer-specific collection events in keeping with Rule 11 and procedures cited in the previous PG&E comment, just above. As part of Section 9 of the Agreement, the customer would consent to provide the CHEEF this data at the CHEEF's request. PG&E further suggests revision of Section 9 of the Customer Agreement to state that "only customer-specific collection data that PG&E is authorized to share with the CHEEF will be provided." The Sempra Utilities protest a new requirement that the IOUs provide data on customer-specific collection events to the CHEEF because they say this is already covered under their contract with CAEATFA.

8. Timely Consumer Protection Warning

The Sempra Utilities and SCE protest the Draft Resolution requirement that IOUs in conjunction with Commission and CAEATFA staff create a letter customized to OBR borrowers that IOUs would send customers past due on OBR payments, at the direction of CAEATFA. The Sempra Utilities acknowledge the consumer protection aspect of such a letter, but they and SCE assert that it duplicates other notifications associated with existing IOU disconnection practices. Because the OBR charge is disconnectable, any customer in arrears will receive a notice through SCE's existing collection path, pursuant to Rule 5, Section C (Discontinuance of Service Notice). Separate notices, SCE says, could be confusing, presenting different payment amounts than the standard letter, etc. SCE suggests an OBR-specific message could be incorporated into existing overdue notices for OBR pilot participants. This provision would cost \$150,000,

SCE says. According to the Sempra Utilities, if this letter is used for all OBR late payments, it could be automated. If not, SoCalGas estimates it would cost \$140,000 in IT, postage and administrative costs to CAEATFA and the IOUs to manually dispatch such letters. (2nd New Section Page 12 of August 11, 2014 Draft Resolution)

9. Past Due OBR Charges (Section 8 “Billing and Payment of OBR Charges”)

PG&E protests a revision (Section 8, Page 13 in August 11, 2014 Draft Resolution) that would require the IOUs to collect past due OBR charges that had been billed on the utility bill in the event that a lender accelerates the payment obligation for the remainder of the loan. When a lender accelerates a payment obligation the OBR charge comes off the bill. PG&E argues that the combined bills would exceed the amount owed. The lender, PG&E argues, can either accelerate repayment of the entire obligation or leave the installment payments on the PG&E bill, but not both.

10. Pre-Payment of OBR Debt

The Sempra Utilities object to a Draft Resolution provision that does not permit the IOUs to keep funds intended to [“fully or substantially”] pre-pay OBR charges. The Sempra Utilities say this requirement is not fully implementable since they would not know the intent of a customer and bills may contain multiple charges. Billing system revisions would be necessary to accommodate this and loan servicing could be impaired. (Section 11, Page 13 of August 11, 2014 Draft Resolution)

11. Payment Arrangements for OBR

PG&E, SCE and the Sempra Utilities disagree with a revision they say would “require” the IOUs to offer OBR customers payment arrangements. (Section 14, Page 15 of August 11, 2014 Draft Resolution) The draft tariff states that OBR customers are ineligible for Rule 11 payment arrangements. PG&E says this is because PG&E cannot alter payment terms of a third-party loan and might have to obtain a finance lender’s license to re-negotiate such terms. Further, PG&E

cannot make payment arrangements for utility charges as long as an OBR charge is still on the bill – the IT system won't allow payment arrangements for a portion of the bill. PG&E requests the CPUC revise the Draft Resolution to either delete the "requirement" to provide payment arrangements to OBR customers, or allow PG&E to negotiate a payment arrangement with an OBR customer – with the OBR charge off the bill - until the payment arrangement is satisfied by the customer. The Sempra Utilities propose a process for payment arrangements for OBR charges that would entail the CHEEF's master servicer providing information on charges IOUs are to place on the customer bill. However, the Sempra Utilities' billing systems are not set up to accomplish such payment arrangements for OBR charges and so they recommend against this proposed revision. SCE is concerned that the revision speaks to payment arrangements for energy-only charges, and that the CHEEF would direct that. SCE raises concerns about finance lending laws, and the idea of renegotiating loan terms unilaterally. SCE further argues it would be expensive and pointless to make payment arrangements for either the loan amount or the energy charge independently, while the OBR charge remains on the bill. The CPUC should use the pilot period to see if payment arrangements are needed – something SCE data shows is unlikely. In lieu of eliminating this revision, SCE request that any OBR payment arrangements be made off the bill with the lender.

12. Customer-Specific Information/Data

PG&E recommends rewording the Draft Resolution to narrow the scope of customer information to be provided. (Section 3, Page 15, August 11, 2014 Draft Resolution) This involves a section of the draft tariff on customer agreements. The Draft Resolution adds the phrase "and any other customer specific information" to a sentence that says customers must sign agreements "to provide the CHEEF and a Participating Lender or Lessor authorization to access customer billing information." PG&E says it would be excessive and burdensome on customers and recommends narrowing the scope of data to be provided to say: "any other customer specific information necessary to provide the on-bill repayment services and related utility services to the customer."

13. Customer Disputes of Utility Charges

PG&E argues that a revision to the draft tariffs presented in the Draft Resolution conflicts with Electric and Gas Rule 10, which addresses how disputed charges are handled. (Section 3, Page 16 of the August 11, 2014 Draft Resolution) The Sempra Utilities also disagree with this revision. The Draft Resolution requires a customer payment to be fully applied to an OBR charge while the customer is disputing non-OBR charges. PG&E points out there might be other non-disputed charges, such as gas aggregation charges or energy service provider charges, and this new rule would not allow payments to be made to such parties. PG&E also states that it can't alter the payment terms of a third-party loan or lease as these are private agreements and PG&E might be required to obtain a finance lender's license. The Sempra Utilities note there are often many charges on a bill and not all can be suspended. This would require billing system modifications, and is not in compliance with D.13-09-044. PG&E also says it's unclear whether this revision was intended to apply to Rule 11 payment arrangements. PG&E proposes changing the Draft Resolution to state that if a portion of the bill is disputed, the partial payment should be applied to the undisputed portion of the bill while the dispute is resolved.

Tariff Advice Letter Filings

PG&E and the Sempra Utilities request that the final Resolution should authorize the IOUs to file a Tier 1 compliance Advice Letter within 30 days of the issuance of the Resolution to put into effect the required revisions to their Gas and Electric OBR Schedules and Customer Agreements. Any future changes should be submitted by the IOUs by Advice Letter, after CAEATFA conducts its public rulemaking process to ensure consistency with the CHEEF program rules, say the Sempra Utilities.

PG&E does not think it's necessary for the Draft Resolution to order the IOUs to refile the approved tariffs after CAEATFA has hired a master servicer, if CAEATFA and Commission staff determine that more changes are needed. PG&E says tariffs can be updated as needed. PG&E also asserts that the language could imply the master servicer will be dictating business requirements. Further changes to the tariff could delay the IT upgrades needed for the OBR pilots to

begin. The Sempra Utilities argue that such an Advice Letter filing would deny due process and place CAEATFA and Commission staff in a position to make modifications to the approved tariffs without a record or Resolution.

**Comments on Draft Resolution Revisions to the Draft Customer Agreement
Form
(Authorization to Add Loan Charges to Utility Bill Form)**

Automatic Payments

PG&E believes a passage in this form should be retained, albeit with a small change, rather than struck, as the Draft Resolution would do. (2nd Paragraph, Page 17 of August 11, 2014 Draft Resolution) The passage states that if the customer's funding account for automatic payments is closed or restricted, and a check or credit card payment is not processed, that it is the customer's sole responsibility to make payments to the lender. PG&E explains in its comments that in such a situation, the customer could continue to make payments through the OBR mechanism once it has provided a valid payment mechanism. PG&E requests the reference to future payments be limited to "pending" payments.

Customer OBR Charge Pre-Payments

PG&E and the Sempra Utilities reject edits to a section of the form involving how the IOU would handle customer debt pre-payments incorrectly sent to the IOUs instead of the lender. (Number 4, Page 19 of August 11, 2014 Draft Resolution) The Sempra Utilities say it is difficult to know the intent of a customer's overpayment and that customer bills might contain multiple charges besides OBR. Sempra Utility billing systems do not process payments as the revisions propose and would require a redesign, and could complicate loan servicing. PG&E says if PG&E were not allowed to keep these prepayments erroneously sent to them, and apply them to the debt and utility charges, the monthly payment to the lender would be delayed, the customer would be subject to interest payments, and there would be other inconvenience.

CPUC Process for Revising OBR Tariffs

The Sempra Utilities assert that the proposed changes to the tariffs were made after the conclusion of a stakeholder process, without consulting the IOUs, and without an evidentiary record as to feasibility. An Energy Division data request to the utilities constitutes “discovery” of IOU operations, the Sempra Utilities assert, and is not part of the procedural record. The data response by the IOUs could be used to further change Draft Res. E4680 but does not allow reply comments.

Other Items

PG&E requests edits to SCE’s Customer Agreement not be included in their form as they are not relevant (Number 4, Pages 19-20)

PG&E requests that Section 6 of the “Billing and Payment of OBR Charges” section of the draft tariff should be updated to reference Rule 11, Discontinuance and Restoration of Service rather than Rule 9.

Discussion of Comments

1. Definition

We amend the Draft Resolution per PG&E’s request to define DR and DG measures as “qualified,” rather than “eligible,” and to refer to specific pilot rules.

2. OBR Charge Presentation on Bill

We amend the Draft Resolution per the Sempra Utilities’ comment to reflect that the line item presentation of the OBR charge will be determined by the CPUC in coordination with the CHEEF. We recognize and agree with the Sempra Utility caveats that presentation of the OBR charge is also subject to what is required by law, and should be sensitive to cost as well as IOU billing system needs. We don’t think it’s necessary to list these considerations in the tariff. (This item appears under the “Rates” section of the draft tariff.)

3. Past Due OBR Charges

We remove the Draft Resolution provisions for the IOUs to collect OBR charges that have already been billed, and are past due, when a lender accelerates the loan. This reflects PG&E's assertion that it cannot be responsible for collecting unpaid OBR installment payments, and that a lender can either accelerate repayment of the entire loan obligation, or leave installment payments on the bill, but cannot do both. (Under "Billing and Payment of OBR Charges," Section 2 and Section 8 in the draft tariffs)

4. Consolidate OBR Charge on One Bill

The utilities cite concerns including dilution of the disconnect provision if the OBR charge is on just one bill, complexities over defining greatest estimated savings, and the fact that the burden of OBR charge collection could fall on SCE given electric savings could be greater than gas savings for many projects (though SCE would still have to collect funds from a customer with a gas/electric retrofit even if the charges were spread across both IOUs' bills). However, we choose to let this provision stand because of the potential benefits to borrowers, lenders and the master servicer. Based on our understanding of the draft tariff language, there is just one lender and one borrower. As such, breaking a loan into two pieces doubles the communications, tracking and fund flow management for the master servicer and could confuse the borrower. It means a lender could get its monthly installment in two pieces at different times during the month, depending on the billing cycles of the two IOUs. This increased complexity could increase costs, and could also be seen by lenders as a risk or administrative hassle. In addition, given there might be financing of measures that have both gas and electric savings, there would be complexity to assigning financing for that measure across two utilities. Based on the performance of the non-residential On Bill Finance program, which has a default rate of less than 1 percent, we don't expect defaults to be a prominent issue and so don't expect the "dilution" of the disconnect provision that the Sempra Utilities warn of. We believe that once we hear from lenders through CAEATFA's rulemaking process, we will have a better sense of how tolerant they will be of multiple IOUs collecting charges from one borrower. That provides time to address the Sempra Utilities' question of how to define greatest savings. A good start would be to

examine the way the source-BTU impacts are to be calculated using the CEC-established heat rate (EE Policy Manual V5.0, page 24) and considering fuel saving with a larger share of the total source-BTU impact as greatest savings. In addition, we have ordered here, if needed, the re-filing of the OBR Tariffs. We explain the rationale for that Advice Letter filing below. It would be easier procedurally to remove this provision at that time if we determine it's not necessary, than to add it to a Tier 1 Advice Letter. Further, this could be something that we test for six months and then decide whether or not to continue based on the performance. (Under "Billing and Payment of OBR Charges," Section 3, in the draft tariffs)

5. Notice to CHEEF of Customer Service Termination

The Sempra Utilities say they need a 30-day window in which to notify the CHEEF that a borrower's service has been terminated, either voluntarily or involuntarily. The Draft Resolution sought to narrow this window to five days. The Sempra Utilities did not see the benefit of this change. While OBR loans and equipment leases are unsecured, the intent of the pilot is to test the "security" provided by the threat of service disconnection for nonpayment, and of the on-bill collection. We believe a lender will want to know as soon as possible if their borrower's service is disconnected, including in instances where the borrower might be closing their account and leaving the retrofitted building. If disconnection occurs for some reason other than non-payment, we believe the lender would want to know immediately that another party has already used the mechanism, and that it is no longer available to them for enforcement of the debt obligation. This is especially true given due to PG&E comments we removed a requirement that the IOUs collect past due OBR installment charges that had already been billed in cases of loan acceleration. Because in the case of OBR, there is an IOU between the lender and its borrower, that information must originate with the IOU. We don't completely understand why IOU billing and information systems will not allow IOUs to communicate a disconnection event more quickly in all cases. We look forward to learning more from CAEATFA's workshops what lenders require here, and what the IOUs can provide. In their comments the utilities did not offer any option but a 30-day window, which we think would be onerous for the lender. We relax the five-day notice requirement

to 10 days in hopes of striking a balance between utility and lender needs.
(Under “Billing and Payment of OBR Charges,” Section 5, in the draft tariff)

6. When Service Is Disconnected for Reasons other than Non-Payment

Because the OBR pilots are testing the efficacy of collecting the OBR charge on the utility bill, with the threat of non-residential service disconnection for nonpayment, we have tried to eliminate instances where the OBR charge could fall off the bill for reasons other than intentional non-payment. We think this will be of importance to lenders as they assess risk in lending. Rule 11 authorizes the IOUs to involuntarily disconnect service for several reasons other than non-payment. We amend our revision to include a clarification from the Sempra Utilities that the IOUs will keep the OBR charge on the bill in these Rule 11 disconnection events, *except when they are due to non-payment*. PG&E disagrees with the revision saying it confuses disconnection with account termination. Disconnection does not necessarily stop the billing process, PG&E asserts, and the OBR charges stay on the bill as long as the customer account is not terminated. This seems to sync with the Sempra Utilities comment that they can suspend and restart service in these particular Rule 11 disconnection events. We appreciate the distinction PG&E makes between service disconnection and account termination. We change the Draft Resolution to reflect this, and the fact that a customer of a gas and electric utility could choose to resume only one of the two services and still maintain an account. (Under “Billing and Payment of OBR Charges,” Section 5, in the draft tariff)

7. Real-time Data on IOU Collection Attempts

We agree with PG&E that the Draft Resolution requirement that each IOU provide the CHEEF with “accurate and timely data on customer-specific collection events in keeping with Rule 11,” be included in Section 9 of the Customer Agreement included in the Advice Letter. PG&E further suggests revision of Section 9 to state that “only customer-specific collection data that PG&E is authorized to share with the CHEEF will be provided.” We have revised the Customer Agreement to provide language similar to what PG&E suggests. However, we have not removed this requirement from the tariff as we believe it is needed there to clarify the requirement of the IOUs, whereas in the

Customer Agreement form it is clarifying the customer's willingness and obligation to release it. The Sempra Utilities protest a new requirement that the IOUs provide data on customer-specific collection events to the CHEEF because they say this is already covered under their contract with CAEATFA, though we have not seen this exact provision there. (New addition to the draft tariffs between existing Sections 7 & 8 of "Billing and Payment of OBR Charge")

8. Timely Consumer Protection Warning

We agree with the utilities that there are standard disconnection notices covered in existing tariffs which could provide a strong warning for any non-residential borrower who faces disconnection for non-payment. However, we are concerned about the timing of these notices for two reasons. First, it's possible that a small business or other non-residential borrower could forget or not understand that failure to pay the OBR charge will result in service disconnection. We think for consumer protection purposes it is important to make sure these customers get notice early enough to be able to factor that into their decision making. A number of the disconnection notices identified in existing tariffs are timed based on the date of disconnection (e.g. seven days before disconnection). We understand that non-residential disconnection for non-payment often does not occur for many months after a customer is late on payments, which would mean they would not get those notices for months. It's our understanding that utilities have a fair amount of discretion in how they handle matters involving disconnection and we do not seek to change their business practices here. However, the threat of service disconnection is the "security" the lender is using as it factors the risk of participating in our pilot, and the terms on which it is willing to loan to a borrower. The timing of the noticing of this threat could be a critical feature. We would like to hear from lenders during CAEATFA's rulemaking workshops as to what they consider an optimal time for notification of their borrowers who are past due in payment. Lenders have their own schedules by which they are required to consider loans in default, based on federal regulations. For these reasons, it might be necessary - and worth some cost - for the CPUC in consultation with the CHEEF to control the timing of one early notice to borrowers. If we determine that such a notice is beneficial, we are confident we can work with the utilities and CAEATFA to design it in such a way that it would not present conflicting information. If we decide we do not need the

borrower-specific notice, we do not need to act on it. We have revised the Draft Resolution to make clear that any mailing of these notices would need to coordinate with the existing protocols of each IOU. If the IOU is already planning to send out a past due notice with the necessary disconnection information, in the timeframe needed by lenders, then this special notice would not be needed in that instance. We hope this coordination will be sensitive to the Sempra Utilities' concerns about the ability to automate such a task to avoid excessive cost, as well as the fact that certain non-residential customer might not be subject to disconnection (e.g. hospitals). (Proposed new section to draft Tariff)

9. Past Due OBR Charges (Section 8 "Billing and Payment of OBR Charges")

Removed per #3 just above.

10. Pre-Payment of OBR Debt

We agree with the utilities that borrowers seeking to pay off their loan in a lump sum should send that check to their lender. We also understand that utility billing systems are not set up to handle a payment meant to "fully or substantially" pay off a loan (as the August 11, 2014 Draft Resolution describes.) It could be hard to determine the customer's intention. However, we are concerned about situations where a small business or other non-residential customer accidentally or mistakenly sends the check to the utility. We think this deserves more scrutiny, including through CAEATFA's workshop process to determine the burden that would be placed on a borrower who mistakenly sends a large check to the utility. Scenarios to consider could be how long it would take a small business to secure a refund from the utility, and what would happen to a large overpayment if the borrower ultimately closes their service account and moves from the site of the financed retrofit. Until we can better speak to the consumer protection aspects here we decline to provide the utilities with the authorization to keep a payment that the borrower intended to "fully or substantially" pay off the OBR debt. (Section 11, "Billing and Payment of OBR Charges" in draft Tariff)

11. Payment Arrangements for OBR

First and foremost we point out that the August 11, 2014 Draft Resolution states the utilities “may extend payment arrangements as defined by Rule 11” The utilities have misstated in their comments that there is a “requirement” where there is none. Our interest is in removing the prohibition against payment arrangements in case through CAEATFA workshops or other means it becomes clear payment arrangements are a needed and worthwhile benefit that the utilities decide to offer. All utilities raise concerns about this concept - though the Sempra Utilities suggest language that would provide for the possibility. We amend the Draft Resolution to include their language. SCE is concerned the Draft Resolution is seeking to give CAEATFA the ability to dictate when SCE should offer payment arrangements for energy charges. This is not the case. We are not seeking to change any existing tariffs that allow the utilities to make payment arrangements with their customers or attempting to give CAEATFA authority to dictate such practices. (Section 14, “Billing and Payment of OBR Charges” in draft Tariff)

12. Customer-Specific Information/Data

PG&E recommends narrowing the scope of customer information to be provided, as described in the August 11, 2014 Draft Resolution. The Draft Resolution sought to expand the scope beyond the limited “customer billing information,” provided for in the draft tariff section on customer agreements. This is because we believe it is likely that more customer data will be needed besides customer billing information to implement and evaluate the OBR pilots. We revise the text to qualify its scope based on the example from PG&E. (Section 3, “Required Agreements” in draft Tariff)

Customer Disputes of Utility Charges

We note the difficulties PG&E identifies with the Draft Resolution text and amend it as proposed by the Sempra Utilities.

Tariff Advice Letter Filings

We agree with PG&E and the Sempra Utilities that the IOUs should file a Tier 1 compliance Advice Letter filing after the issuance of the Resolution.

We disagree that that it is not necessary for the Draft Resolution to order the IOUs to refile the approved tariffs after CAEATFA has hired a master servicer. In bringing on the master servicer there might be additional requirements in order to implement the pilots. If there are additional requirements, the CPUC in consultation with CAEATFA, will inform the utilities how to update the tariff. Further, as we have already stated here, we might find through CAEATFA's rulemaking process, including workshops with lenders, that other changes are needed. The utilities determined that it was necessary that the CPUC approve the OBR tariff before these events, and CAEATFA indicated it could not release a master servicer RFP without OBR Tariff approval. We understand that at least one other administrator finalized such rules *after* it had hired a master servicer and identified all of the fine grained needs. For that reason, the CPUC reserves the right to order the utilities to refile the approved tariffs to reflect needed changes. Regarding the Sempra Utilities' concern of due process, the Advice Letter filing is a public process. The Tier I filing is used for relatively small changes.

Draft Customer Agreement Form

Automatic Payments

PG&E believes a passage in this form should be retained, albeit with a small change, rather than struck, as the August 11, 2014 Draft Resolution would do. (2nd Paragraph, Page 17 of August 11, 2014 Draft Resolution) The passage states that if the customer's funding account for automatic payments is closed or restricted, and a check or credit card payment is not processed, that it is the customer's sole responsibility to make payments to the lender. PG&E explains in its comments that in such a situation, the customer could continue to make

payments through the OBR mechanism once it has provided a valid payment mechanism. PG&E requests the reference to future payments be limited to “pending” payments. As we’ve stated above, we’re concerned of instances where the OBR charge will fall off the bill given testing on-bill repayment and disconnection are central to the pilot. If a customer loses their credit card, or forgets to transfer funds into their checking account, the disruption in payment will be temporary, and they will have to remedy it in order to automatically pay their utility charges. We don’t think a separate remedy is necessary for their OBR charges since they would be paying them together with their utility charges. The customer agreement does not make it clear that the OBR charge would stay on the bill unless the failure to pay was prolonged and fell under Rule 11 and lender acceleration. We agree that given the water fall and pro rata partial payment mechanisms it is worth warning a borrower that unless they pay in full, the utility might not forward funds to the lender (in pro rata we believe a share of the OBR charge would go to the lender). But we don’t think language relating to the “sole responsibility” of the borrower to pay the lender correctly represents the OBR pilot.

Customer Pre-Payments

PG&E and the Sempra Utilities reject edits to a section of the form involving how the IOU would handle customer debt pre-payments incorrectly sent to the IOUs instead of the lender. This is related to the tariff language regarding whether the utility is authorized to keep funds that a customer might have meant to pre-pay a loan in its entirety. (Number 4, Page 19 of August 11, 2014 Draft Resolution) Since we have declined to authorize the utilities to keep funds meant to “fully or substantially pre-pay” an OBR debt, we also decline to change the related revisions to the customer agreement.

CPUC Process for Revising OBR Tariffs

The Sempra Utilities assert that the proposed changes to the tariffs were made after the conclusion of a stakeholder process, without consulting the IOUs, and without an evidentiary record as to feasibility. An Energy Division data request to the utilities constitutes “discovery” of IOU operations, the Sempra Utilities assert, and is not part of the procedural record. The data response by the IOUs

could be used to further change Draft Res. E4680 but does not allow reply comments.

Energy Division used a Resolution process to approve the OBR tariffs because SCE and PG&E tariffs, filed as Tier III Advice Letters, were out of compliance with D.13-09-044. Further, many aspects of the draft tariffs did not support the strategic design of the OBR pilots. Resolution E-4680 has provided a formal public process that has allowed parties notice and an opportunity to comment. Furthermore, the Commission, as a regulatory agency, and its staff, Energy Division, have the right to access additional information from the utilities in order to carry out their duties. The Draft Resolution and OBR tariffs are part of an innovative pilot program that will be evaluated. The revisions in this Draft Resolution do not change any existing tariffs or rules. Furthermore, the Commission, as a regulatory agency, and its staff, Energy Division, have the right to access additional information from the utilities in order to carry out their duties.

Other Items

While SCE did not comment directly on the pro rata partial payment mechanism, in an appendix to their comments, SCE seemed to indicate that partial payments could not be spread pro rata for multi-family customers. The draft Tariff makes clear in #7 of the “Billing and Payment of OBR Charges” section that OBR is not a disconnectable charge for multi-family and residential customers. The revisions to the Tariff section on partial payment indicate the utility will spread a partial payment across disconnectable charges.

We agree to change PG&E requests relating to language from SCE’s Customer Agreement that should not be included in the PG&E form (Number 4, Pages 19-20 in the August 11, 2014 Draft Resolution) but do not detail them here. We ask PG&E to make this change in its compliance filing.

We also agree to PG&E’s requested change - that Section 6 of the “Billing and Payment of OBR Charges” section of the draft tariff should be updated to reference Rule 11, Discontinuance and Restoration of Service rather than Rule 9. We ask PG&E to make this change when it makes its Tier 1 compliance filing.

Revisions as Amended by Party Comments

Definitions:

PG&E

Lease Agreement: An agreement between Customer and Participating Lessor to rent or lease one or more Qualified Measures to be installed at the Customer's Premises and recover the ~~Loan~~ Lease Charges through On-Bill Repayment.

SCE

Lease Agreement: An agreement between Customer and Participating Lessor to rent or lease one or more Qualified Measures to be installed at the Customer's Premises and recover the ~~Loan~~ Lease Charges through On-Bill Repayment.

SCG

Lease Agreement: An agreement between Customer and Participating Lessor to rent or lease one or more Qualified Measures to be installed at the Customer's Premises and recover the ~~Loan~~ Lease Charges through On-Bill Repayment.

SDG&E

Lease Agreement: An agreement between Customer and Participating Lessor to rent or lease one or more Qualified Measures to be installed at the Customer's Premises and recover the ~~Loan~~ Lease Charges through On-Bill Repayment.

(Per SCG Request in Data Response SCG 16380)

SCG

OBR Charge: A Loan Charge and/or Lease Charge relating to work performed at the Customer Premise associated with the Customer's account and included on a Customer's bill pursuant to the Loan or Lease Agreement.

PG&E

Qualified Measures: Energy Efficiency mMeasures included in the program implementation plans for OBR and approved by the CPUC for Customers to install at the location associated with the same account to which the OBR Charges will be billed. Which measures qualify as Qualified Measures is subject to CPUC approval and may change from time to time. Distributed generation and demand response measures are also qualified, per individual pilot rules.

SCE

Qualified Measures: Energy Efficiency mMeasures included in the program implementation plans for OBR and approved by the CPUC for Customers to install at the location associated with the same account to which the OBR Charges will be billed. Which measures qualify as Qualified Measures is subject to CPUC approval and may change from time to time. Distributed generation and demand response measures are also qualified, per individual pilot rules.

SCG

Qualified Measures: Energy Efficiency mMeasures included in the program implementation plans for OBR and approved by the CPUC for Customers to install at the location associated with the same account to which the OBR Charges will be billed. Which measures qualify as Qualified Measures is subject to CPUC approval and may change from time to time. Distributed generation and demand response measures are also qualified, per individual pilot rules.

SDG&E

Qualified Measures: Energy Efficiency mMeasures included in the program implementation plans for OBR and approved by the CPUC for Customers to install at the location associated with the same account to which the OBR Charges will be billed. Which measures qualify as Qualified Measures is subject to CPUC approval and may change from time to time. Distributed generation and demand response measures are also qualified, per individual pilot rules.

Rates

PG&E

All charges and provisions of the Customer's otherwise applicable rate schedule shall continue to apply. Each OBR Charge will appear as a separate line item (or multiple line items) on the Bill, as determined by the CPUC in consultation with the CHEEF.

SCE

All charges and provisions of the Customer's otherwise applicable rate schedule shall continue to apply. Each OBR Charge will appear as a separate line item (or

multiple line items) on the Bill, as determined by the CPUC in consultation with the CHEEF.

SCG

All charges and provisions of the Customer's otherwise applicable rate schedule shall continue to apply. Each OBR Charge will appear as a separate line item (or multiple line items) on the Bill, as determined by the CPUC in coordination with the CHEEF.

SDG&E

All charges and provisions of the Customer's otherwise applicable rate schedule shall continue to apply. Each OBR Charge will appear as a separate line item (or multiple line items) on the Bill, as determined by the CPUC in consultation with the CHEEF.

Billing and Payment of OBR Charges: Section 3

PG&E

In the event a Customer uses OBR to install Qualified Measures consisting of both gas and electric measures pursuant to the terms of an Eligible Loan or Lease, and is a Customer of more than one Participating Utility, then the OBR Charges attributable to such Eligible Loan or Lease will be placed on the Bill of the Participating Utility for which the greatest savings are expected to accrue in proportion to the amount of the Eligible Loan or Lease attributable to the service provided by each Participating Utility, as determined by the Participating Utilities.

SCE

In the event a Customer uses OBR to install Qualified Measures consisting of both gas and electric measures pursuant to the terms of an Eligible Loan or Lease, and is a Customer of more than one Participating Utility, then the OBR Charges attributable to such Eligible Loan or Lease will be placed on the Bill of the Participating Utility for which the greatest savings are expected to accrue in proportion to the amount of the Eligible Loan or Lease attributable to the service

~~provided by each Participating Utility, as determined by the Participating Utilities.~~

SCG

In the event a Customer uses OBR to install Qualified Measures consisting of both gas and electric measures pursuant to the terms of an Eligible Loan or Lease, and is a Customer of more than one Participating Utility, then the OBR Charges attributable to such Eligible Loan or Lease will be placed on the Bill of the Participating Utility for which the greatest savings are expected to accrue in proportion to the amount of the Eligible Loan or Lease attributable to the service ~~provided by each Participating Utility, as determined by the Participating Utilities.~~

SDG&E

In the event a Customer uses OBR to install Qualified Measures consisting of both gas and electric measures pursuant to the terms of an Eligible Loan or Lease, and is a Customer of more than one Participating Utility, then the OBR Charges attributable to such Eligible Loan or Lease will be placed on the Bill of the Participating Utility for which the greatest savings are expected to accrue in proportion to the amount of the Eligible Loan or Lease attributable to the service ~~provided by each Participating Utility, as determined by the Participating Utilities.~~

Section 5

PG&E

If PG&E does not issue Customer a Bill because of either voluntary or involuntary termination of PG&E service, PG&E shall notify the CHEEF within 10 days of service termination, unless the CPUC, in consultation with the CHEEF, determines that a later date is sufficient. In the case of involuntary service termination not associated with non-payment provided in Rule 11, PG&E shall keep OBR charge on the Bill unless it is determined that the customer will close its account for all service at the site. On and after such notification, PG&E will have no further responsibility for collecting and remitting OBR Charges unless the responsibility to pay such OBR Charges is assumed by a subsequent Customer at the Premises, pursuant to Section H below.

SCE

If SCE does not issue Customer a Bill because of either voluntary or involuntary termination of SCE service, SCE shall notify the CHEEF within 10 days of service termination, unless the CPUC, in consultation with the CHEEF, determines that a later date is sufficient. In the case of involuntary service termination not associated with non-payment provided in Rule 11, SCE shall keep OBR charge on the Bill unless it is determined that the customer will close its account for all service at the site. On and after such notification, SCE will have no further responsibility for collecting and remitting OBR Charges unless the responsibility to pay such OBR Charges is assumed by a subsequent Customer at the Premises, pursuant to Section H below.

SCG

If Utility does not issue Customer a Bill because of either voluntary or involuntary termination of Utility service, Utility shall notify the CHEEF within 10 -days of service termination, unless the CPUC, in consultation with the CHEEF, determines that a later date is sufficient. In the case of involuntary service termination not associated with non-payment provided in Rule 9, Utility shall keep OBR charge on the Bill unless it is determined that the customer will close its account for service at the site. On and after such notification, Utility will have no further responsibility for collecting and remitting OBR Charges unless the responsibility to pay such OBR Charges is assumed by a subsequent Customer at the Premises, pursuant to Section H below.

SDG&E

If Utility does not issue Customer a Bill because of either voluntary or involuntary termination of Utility service, Utility shall notify the CHEEF within ~~30~~10 days of service termination, unless the CPUC, in consultation with the CHEEF, determines that a later date is sufficient. In the case of involuntary service termination not associated with non-payment provided in Rule 11, Utility shall keep OBR charge on the Bill unless it is determined that the customer will close its account for all service at the site. On and after such notification, Utility will have no further responsibility for collecting and remitting OBR Charges unless the responsibility to pay such OBR Charges is assumed by a subsequent Customer at the Premises, pursuant to Section H below.

Section 6

PG&E

Partial Payment: PG&E's billing system applies partial payment to the components of the bill using a pro rata distribution in accordance with existing tariff rules. In instances of customers making partial payments, the partial payment will be applied to the disconnectable charges, including the OBR Charge, where OBR is a disconnectable charge, and utility and other non-OBR charges in proportion to the amount owed for each. Payments will be applied to past due OBR Charges prior to current charges. Non-payment of non-residential OBR Charges subject the Customer's account to service disconnection. Residential service is not subject to disconnection.

~~If a Customer makes only partial payment on a Bill, the partial payment will be applied to the following components of the Bill according to the priority of these components:~~

- ~~a. PG&E charges, which include utility service and credit establishment charges~~
- ~~b. Energy related charges, which include charges based on energy consumption and tariff schedules.~~
- ~~c. Other applicable products and services charges, which include all other services billed by PG&E such as OBR charges.~~

SCE

Partial Payment: SCE's billing system applies partial payment to the components of the bill using a pro rata distribution in accordance with existing tariff rules. In instances of customers making partial payments, the partial payment will be applied to the disconnectable charges including the OBR Charge, where OBR is a disconnectable charge, and utility and other non-OBR charges, in proportion to the amount owed for each. Payments will be applied to past due OBR Charges prior to current charges. Non-payment of non-residential OBR Charges subject the Customer's account to service disconnection. Residential service is not subject to disconnection.

~~If a Customer makes only partial payment on a Bill, the partial payment will be applied to the following components of the Bill according to the priority of these components:~~

- ~~a. SCE charges, which include utility service and credit establishment charges~~
- ~~b. Energy related charges, which include charges based on energy consumption and tariff schedules.~~
- ~~c. Other applicable products and services charges, which include all other services billed by SCE such as OBR charges.~~

SCG (Per Request in Data Response SCG 16380)

Because non-payment of non-residential OBR Charges subject the Customer's account to service disconnection, payments will be applied to past due OBR Charges prior to current charges.

SDG&E (Per Request in Data Response SCG 16380)

Because non-payment of non-residential OBR Charges subject the Customer's account to service disconnection, payments will be applied to past due OBR Charges prior to current charges.

Between Existing Sections 7 and 8 (will need to be renumbered)

New Section

PG&E

PG&E shall provide the CHEEF at the request of the CPUC, in consultation with the CHEEF, accurate and timely data on customer-specific collection events that PG&E initiates in keeping with Rule 11 and procedures cited above.

SCE

SCE shall provide the CHEEF at the request of the CPUC, in consultation with the CHEEF, accurate and timely data on customer-specific collection events that SCE initiates in keeping with Rule 11 and procedures cited above.

SCG

Utility shall provide the CHEEF at the request of the CPUC, in consultation with the CHEEF, accurate and timely data on customer-specific collection events that Utility initiates in keeping with Rule 11 and procedures cited above.

SDG&E

Utility shall provide the CHEEF at the request of the CPUC, in consultation with the CHEEF, accurate and timely data on customer-specific collection events that Utility initiates in keeping with Rule 11 and procedures cited above.

New Section

PG&E

Per the CHEEF's request, PG&E shall issue non-residential Customers with past due OBR charges a notice specific to OBR Customers reminding them of the liability of disconnection and a possible timeline for it, in coordination with the processes and protocols PG&E has in place for past-due notification.

SCE

Per the CHEEF's request, SCE shall issue non-residential Customers with past due OBR charges a notice specific to OBR Customers reminding them of the liability of disconnection and a possible timeline for it, in coordination with the processes and protocols SCE has in place for past-due notification

SCG

Per the CHEEF's request, Utility shall issue non-residential Customers with past due OBR charges a notice specific to OBR Customers reminding them of the liability of disconnection and a possible timeline for it, in coordination with the processes and protocols SCG has in place for past-due notification.

SDG&E

Per the CHEEF's request, Utility shall issue non-residential Customers with past due OBR charges a notice specific to OBR Customers reminding them of the liability of disconnection and a possible timeline for it, in coordination with the processes and protocols SDG&E has in place for past-due notification.

Section 11

PG&E

If, in accordance with the Loan or Lease Agreement, the Customer elects to pay some or all of the outstanding Eligible Loan or Lease balance independent of the OBR Charge, the Customer mustis expected to send such payment directly to the Participating FI, rather than to PG&E. ~~Any Prepayments paid directly to PG&E may, at PG&E's sole discretion, be applied proportionally to subsequent PG&E Charges and OBR Charges and SCE shall have no obligation to credit such prepayments exclusively to subsequent OBR Charges. PG&E is not authorized to keep funds a customer intended to pre-pay all or a substantial portion of the~~ Loan or Lease balance.

SCE

If, in accordance with the Loan or Lease Agreement, the Customer elects to pay some or all of the outstanding Eligible Loan or Lease balance independent of the OBR Charge, the Customer mustis expected to send such payment directly to the Participating FI, rather than to SCE. ~~Any Prepayments paid directly to SCE may, at SCE's sole discretion, be applied proportionally to subsequent SCE Charges and OBR Charges and SCE shall have no obligation to credit such prepayments exclusively to subsequent OBR Charges. SCE is not authorized to keep funds a customer intended to pre-pay all or a substantial portion of the~~ Loan or Lease balance.

SCG

If, in accordance with the Loan or Lease Agreement, the Customer elects to pay some or all of the outstanding Eligible Loan or Lease balance independent of the OBR Charge, the Customer mustis expected to send such payment directly to the Participating FI, rather than to Utility. ~~Any Prepayments paid directly to the Utility may, at Utility's sole discretion, be applied proportionally to subsequent Utility Charges and OBR Charges and Utility shall have no obligation to credit such prepayments exclusively to subsequent OBR Charges. Utility is not~~ authorized to keep funds a customer intended to pre-pay all or a substantial portion of the Loan or Lease balance.

SDG&E

If, in accordance with the Loan or Lease Agreement, the Customer elects to

pay some or all of the outstanding Eligible Loan or Lease balance independent of the OBR Charge, the Customer ~~mustis expected to~~ send such payment directly to the Participating FI, rather than to Utility. ~~Any Prepayments paid directly to the Utility may, at Utility's sole discretion, be applied proportionally to subsequent Utility Charges and OBR Charges and Utility shall have no obligation to credit such prepayments exclusively to subsequent OBR Charges. Utility is not authorized to keep funds a customer intended to pre-pay all or a substantial portion of the Loan or Lease balance.~~

Section 14

PG&E

Payment Arrangements: PG&E ~~will not be able to~~ may extend payment arrangements as defined by Rule 11 to Customers with OBR Charges on their bills, according to the specific directions provided by the master servicer on behalf of the CHEEF in consultation with the CPUC. Such payment arrangements will be according to agreements directly between the Financial Institution and customer, and will not include involvement by the utility provider.

SCE

Payment Arrangements: SCE ~~will not be able to~~ may extend payment arrangements as defined by Rule 11 to Customers with OBR Charges on their bills, according to the specific directions provided by the master servicer on behalf of the CHEEF in consultation with the CPUC. Such payment arrangements will be according to agreements directly between the Financial Institution and customer, and will not include involvement by the utility provider.

SCG

Payment Arrangements: Utility ~~will not be able to~~ may extend payment arrangements as defined by Rule 9 to Customers with OBR Charges on their bills, according to the specific directions provided by the master servicer on behalf of the CHEEF in consultation with the CPUC. Such payment arrangements will be according to agreements directly between the Financial Institution and customer, and will not include involvement by the utility provider.

SDG&E

Payment Arrangements: Utility ~~will not be able to~~ may extend payment arrangements as defined by Rule 11 to Customers with OBR Charges on their bills, according to the specific directions provided by the master servicer on behalf of the CHEEF in consultation with the CPUC. Such payment arrangements will be according to agreements directly between the Financial Institution and customer, and will not include involvement by the utility provider.

Required Agreements

Section 3

PG&E

... to access customer billing information and any other relevant customer specific data necessary to implement this program.

SCE

... to access customer billing information and any other relevant customer specific data necessary to implement this program.

SCG

... to access customer billing information and any other relevant customer specific data necessary to implement this program.

SDG&E

... to access customer billing information and any other relevant customer specific data necessary to implement this program.

Billing Inquiries or Disputes

Section 3

PG&E

... as set forth in Section BILLING AND PAYMENT OF OBR CHARGES, paragraph 2, above. Where the customer disputes its obligation to pay non-OBR charges, and impounds any disputed amount with the Commission in accordance with Rule 10, customer payments for OBR charges will be allocated

to the non-disputed charges including the OBR charges consistent with the payment process used for current payments..

SCE

. . . as set forth in Section BILLING AND PAYMENT OF OBR CHARGES, paragraph 2, above. Where the customer disputes its obligation to pay non-OBR charges, and impounds any disputed amount with the Commission in accordance with Rule 10, customer payments for OBR charges will be allocated to the non-disputed charges including the OBR charges consistent with the payment process used for current payments.

SCG

. . . as set forth in Section BILLING AND PAYMENT OF OBR CHARGES, paragraph 2, above. Where the customer disputes its obligation to pay non-OBR charges, and impounds any disputed amount with the Commission in accordance with Rule 10, customer payments for OBR charges will be allocated to the non-disputed charges including the OBR charges consistent with the payment process used for current payments.

SDG&E

. . . as set forth in Section BILLING AND PAYMENT OF OBR CHARGES, paragraph 2, above. Where the customer disputes its obligation to pay non-OBR charges, and impounds any disputed amount with the Commission in accordance with Rule 10, customer payments for OBR charges will be allocated to the non-disputed charges including the OBR charges consistent with the payment process used for current payments.

The following revisions are to a form filed with the tariff:

Authorization to Add Loan Charges to Utility Bill Form

Per request in Data Response SCG 16380, SCG and SDG&E shall use the version of this form filed by SCE and PG&E - except as necessary to customize the form to their utilities, including for the design of the partial payment mechanism.

Second Paragraph

PG&E

Before you sign this document, you should first review the more detailed program rules regarding the OBR pilots and the Schedule OBR, developed by the California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA).

SCE

Before you sign this document, you should first review the more detailed program rules regarding the OBR pilots and the Schedule OBR, developed by the California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA).

SCG

Before you sign this document, you should first review the more detailed program rules regarding the OBR pilots and the Schedule OBR, developed by the California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA).

SDG&E

Before you sign this document, you should first review the more detailed program rules regarding the OBR pilots and the Schedule OBR, developed by the California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA).

Number 2

PG&E

If a funding account for the PG&E payment is a credit card or checking account, PG&E will not forward your entire payment to the Financial Institution unless that account has sufficient available credit to pay the full amount of the energy charges and the Loan or Lease Charges. ~~If your funding account closes or is restricted for any reason, all pending payments to the Financial Institution associated with the account will be cancelled and it is your sole responsibility to make all pending and future payments to the Financial Institution.~~

SCE

If a funding account for the SCE payment is a credit card or checking account, SCE will not forward your entire payment to the Financial Institution unless that account has sufficient available credit to pay the full amount of the energy charges and the Loan or Lease Charges. ~~If your funding account closes or is restricted for any reason, all pending payments to the Financial Institution associated with the account will be cancelled and it is your sole responsibility to make all pending and future payments to the Financial Institution.~~

SCG

If a funding account for the Utility payment is a credit card or checking account, Utility will not forward your payment to the Financial Institution unless that account has sufficient available credit to pay the full amount of the energy charges and the Loan or Lease Charges. ~~If your funding account closes or is restricted for any reason, all pending payments to the Financial Institution associated with the account will be cancelled and it is your sole responsibility to make all pending and future payments to the Financial Institution.~~

SDG&E

If a funding account for the Utility payment is a credit card or checking account, Utility will not forward your payment to the Financial Institution unless that account has sufficient available credit to pay the full amount of the energy charges and the Loan or Lease Charges. ~~If your funding account closes or is restricted for any reason, all pending payments to the Financial Institution associated with the account will be cancelled and it is your sole responsibility to make all pending and future payments to the Financial Institution.~~

Number 3

PG&E

Partial Payments. If you pay less than the total amount of your utility bill (including Loan or Lease Charges), the amount you pay will be allocated ~~in accordance with existing Rules~~ to disconnectable charges, including OBR

Charges¹, and utility and other non-OBR charges consistent with existing Tariffs. Non-payment of OBR charges will subject your account to service disconnection, payments will be applied to past due OBR Charges prior to current charges. ~~If a Customer makes only partial payment on a Bill, the partial payment will be applied to the following components of the bill according to the priority of these components:~~

~~A. Utility charges, which include utility service and credit establishment charges~~

~~B. Energy related charges, which include charges based on energy consumption and rate schedules.~~

~~C. Other applicable products and services charges, which include all other services billed by the Utility such as OBR charges.~~

SCE

Partial Payments. If you pay less than the total amount of your utility bill (including Loan or Lease Charges), the amount you pay will be allocated ~~in accordance with existing Rules to disconnectable charges, including OBR~~ Charges², and utility and other non-OBR charges consistent with existing Tariffs. Non-payment of OBR charges will subject your account to service disconnection, payments will be applied to past due OBR Charges prior to current charges. ~~If a Customer makes only partial payment on a Bill, the partial payment will be applied to the following components of the bill according to the priority of these components:~~

~~A. Utility charges, which include utility service and credit establishment charges~~

1. ¹ OBR is not a disconnectable charge for participants of the multi-family pilot

2. ² OBR is not a disconnectable charge for participants of the multi-family pilot.

~~B. Energy related charges, which include charges based on energy consumption and rate schedules.~~

~~C. Other applicable products and services charges, which include all other services billed by the Utility such as OBR charges.~~

Number 4

PG&E

Overpayments. Overpayments will be applied to OBR Charges and to utility and other non-OBR charges in proportion to the amount owed for each ~~the amounts due currently or in the future to SCE for energy charges and will not be applied to the Loan or Lease Charges.~~ If you want to fully or substantially prepay Loan or Lease Charges, you must send the payment directly to the Financial Institution.

SCE

Overpayments. Overpayments will be applied to OBR Charges and to utility and other non-OBR charges in proportion to the amount owed for each ~~the amounts due currently or in the future to SCE for energy charges and will not be applied to the Loan or Lease Charges.~~ If you want to fully or substantially prepay Loan or Lease Charges, you must send the payment directly to the Financial Institution.

SCG

Overpayments. Overpayments will be applied to the amounts due currently or in the future to the Utility for energy charges ~~and will not be applied to~~ and for the Loan or Lease Charges. If you want to fully or substantially prepay Loan or Lease Charges, you must send the payment directly to the Financial Institution.

SDG&E

Overpayments. Overpayments will be applied to the amounts due currently or in the future to the Utility for energy charges ~~and will not be applied to~~ and for the Loan or Lease Charges. If you want to fully or substantially prepay Loan or Lease Charges, you must send the payment directly to the Financial Institution.

Number 7 (Per Request in SCG Data Response 16380)

SCG

Other rules for reconnection of service, including a requirement to post a security deposit, are set forth in Utility Rules 6 and 10. _____.

SDG&E

Other rules for reconnection of service, including a requirement to post a security deposit, are set forth in Utility Rules 6 and Schedule SE, Service Establishment Charge. _____.

Number 9

PG&E

Authorization to Release Information. If you choose to participate in a OBR Pilot, you must also sign on additional form to allow the release of confidential information regarding you utility bill payment history: Form 79-195

“Authorization to Receive Customer Information or Act Upon a Customer’s Behalf” to provide the California Hub for Energy Efficiency Financing (CHEEF) and your Financial Institution authorization to access customer billing information and other relevant data. PG&E shall provide the CHEEF at the request of the CPUC or CHEEF accurate and timely data on customer-specific collection events that PG&E initiates in keeping with Rule 11 procedures. PG&E will share only customer-specific data relevant to implement this program.

SCE

Authorization to Release Information. If you choose to participate in a OBR Pilot, you must also sign on additional form to allow the release of confidential information regarding you utility bill payment history: Form 79-195

“Authorization to Receive Customer Information or Act Upon a Customer’s Behalf”

... to provide the California Hub for Energy Efficiency Financing (CHEEF) and your Financial Institution authorization to access customer billing information and other relevant data. SCE shall provide the CHEEF at the request of the CPUC or CHEEF accurate and timely data on customer-specific collection events that SCE initiates in keeping with Rule 11 procedures. SCE will share only customer-specific data relevant to implement this program.

SCG

Authorization to Release Information. If you choose to participate in a OBR Pilot, you must also sign on additional form to allow the release of confidential information regarding you utility bill payment history: Form 79-195

“Authorization to Receive Customer Information or Act Upon a Customer’s Behalf”

. . . to provide the California Hub for Energy Efficiency Financing (CHEEF) and your Financial Institution authorization to access customer billing information and other relevant data. SCG shall provide the CHEEF at the request of the CPUC or CHEEF accurate and timely data on customer-specific collection events that SCG initiates in keeping with Rule 9 procedures. SCG will share only customer-specific data relevant to implement this program.

SDG&E

Authorization to Release Information. If you choose to participate in a OBR Pilot, you must also sign on additional form to allow the release of confidential information regarding you utility bill payment history: Form 79-195

“Authorization to Receive Customer Information or Act Upon a Customer’s Behalf”

. . . to provide the California Hub for Energy Efficiency Financing (CHEEF) and your Financial Institution authorization to access customer billing information and other relevant data. SDG&E shall provide the CHEEF at the request of the CPUC or CHEEF accurate and timely data on customer-specific collection events that SDG&E initiates in keeping with Rule 11 procedures. SDG&E will share only customer-specific data relevant to implement this program.

(Per SCG Request in Data Response SCG 16380)

SCG

Authorization to Release Information. If you choose to participate in the On-Bill Repayment Pilot Program, you must also sign ~~an~~^{two} additional forms to allow the release of confidential information regarding your utility bill payment history and energy usage: (1) ~~Form 8204, “Authorization Or Revocation Of Authorization To Receive Customer Usage Information” to authorize access to the customer’s electricity and/or natural gas meter usage data only; and~~ (2) Form 8206, “Authorization to Receive Customer Information or Act Upon a Customer's Behalf” to provide the California Hub for Energy Efficiency

Financing (CHEEF) and your Financial Institution authorization to access Customer Billing information.

Number 10 (Per Joint Utility Request in Data Response SCG 16380)

~~**Utility not Liable for Improvements and Loan or Lease Process.** PG&E is not involved in the improvements to your building, the assessment of potential benefits and costs associated with the improvements, or Financial Institution's procedures. You acknowledge that PG&E does not accept any responsibility for the improvements, the anticipated energy efficiency benefits, energy savings benefits, or other benefits, or for any aspect of the loan or lease process. Utility also disclaims any warranty including the warranty of merchantability or fitness for a particular purpose regarding any improvements. Any questions or claims regarding those matters should be directed to the Financial Institution or to the installation contractor.~~

PG&E shall have no liability in connection with, and makes no warranties, expressed or implied, regarding the Work. Customer will be responsible for any and all losses and damage it may suffer in connection with, and any claims by third parties resulting from, the Work. Customer shall indemnify and hold harmless PG&E, its affiliates, and their respective owners, officers, directors, employees and agents thereof, from and against all claims, demands, liabilities, damages, fines, settlements or judgments which arise from or are caused by (a) any breach of the Agreement by Customer; (b) any defects or problems with the Work, or the failure of the Work to deliver any anticipated energy efficiencies; (c) Customer's failure to pay any amount due or claimed by Contractor with respect to the Work; or (d) the wrongful or negligent acts or omissions of any party (including Contractor) in the conduct or performance of the Work.

SCE

~~**SCE not Liable for Improvements and Loan or Lease Process.** SCE is not involved in the improvements to building, the assessment of potential benefits and costs associated with the improvements, or Financial Institution's procedures. You acknowledge that SCE does not accept any responsibility for the improvements, the anticipated energy efficiency or energy savings benefits, or~~

~~other benefits, or for any aspect of the loan or lease process. SCE also disclaims any warranty including the warranty of merchantability or fitness for a particular purpose regarding any improvements. Any questions or claims regarding those matters should be directed to the Financial Institution or to the installation contractor.~~

SCE shall have no liability in connection with, and makes no warranties, expressed or implied, regarding the Work. Customer will be responsible for any and all losses and damage it may suffer in connection with, and any claims by third parties resulting from, the Work. Customer shall indemnify and hold harmless SCE, its affiliates, and their respective owners, officers, directors, employees and agents thereof, from and against all claims, demands, liabilities, damages, fines, settlements or judgments which arise from or are caused by (a) any breach of the Agreement by Customer; (b) any defects or problems with the Work, or the failure of the Work to deliver any anticipated energy efficiencies; (c) Customer's failure to pay any amount due or claimed by Contractor with respect to the Work; or (d) the wrongful or negligent acts or omissions of any party (including Contractor) in the conduct or performance of the Work.

SCG

~~**Utility not Liable for Improvements and Loan or Lease Process.** Utility is not involved in the improvements to your building, the assessment of potential benefits and costs associated with the improvements, or Financial Institution's procedures. You acknowledge that Utility does not accept any responsibility for the improvements, the anticipated energy efficiency or energy savings benefits, or other benefits, or for any aspect of the loan or lease process. Any questions or claims regarding those matters should be directed to the Financial Institution or to the installation contractor.~~

Utility shall have no liability in connection with, and makes no warranties, expressed or implied, regarding the Work. Customer will be responsible for any and all losses and damage it may suffer in connection with, and any claims by third parties resulting from, the Work. Customer shall indemnify and hold harmless Utility, its affiliates, and their respective owners, officers, directors, employees and agents thereof, from and against all claims, demands, liabilities, damages, fines, settlements or judgments which arise from or are caused by (a)

any breach of the Agreement by Customer; (b) any defects or problems with the Work, or the failure of the Work to deliver any anticipated energy efficiencies; (c) Customer's failure to pay any amount due or claimed by Contractor with respect to the Work; or (d) the wrongful or negligent acts or omissions of any party (including Contractor) in the conduct or performance of the Work.

SDG&E

~~Utility not Liable for Improvements and Loan or Lease Process.~~ Utility is not involved in the improvements to your building, the assessment of potential benefits and costs associated with the improvements, or Financial Institution's procedures. You acknowledge that Utility does not accept any responsibility for the improvements, the anticipated energy efficiency or energy savings benefits, or other benefits, or for any aspect of the loan or lease process. Any questions or claims regarding those matters should be directed to the Financial Institution or to the installation contractor.

Utility shall have no liability in connection with, and makes no warranties, expressed or implied, regarding the Work. Customer will be responsible for any and all losses and damage it may suffer in connection with, and any claims by third parties resulting from, the Work. Customer shall indemnify and hold harmless Utility, its affiliates, and their respective owners, officers, directors, employees and agents thereof, from and against all claims, demands, liabilities, damages, fines, settlements or judgments which arise from or are caused by (a) any breach of the Agreement by Customer; (b) any defects or problems with the Work, or the failure of the Work to deliver any anticipated energy efficiencies; (c) Customer's failure to pay any amount due or claimed by Contractor with respect to the Work; or (d) the wrongful or negligent acts or omissions of any party (including Contractor) in the conduct or performance of the Work.

COMMENTS

Public Utilities Code section 311(g)(1) provides that this resolution must be served on all parties and subject to at least 30 days public review and comment prior to a vote of the Commission. Section 311(g)(2) provides that this 30-day period may be reduced or waived upon the stipulation of all parties in the proceeding.

The 30-day comment period for the draft of this resolution was neither waived nor reduced. Accordingly, this draft resolution was mailed to parties for comments, and will be placed on the Commission's agenda no earlier than 30 days from today. Comments are due 10 days before the September 11, 2014 Commission meeting. Replies to comments will not be accepted.

FINDINGS

1. The Joint Utilities filed the Advice Letters listed below in compliance with D.13-09-044:

Pacific Gas and Electric Company Advice Letter (AL) 3443-G/4338-E filed on December 30, 2013, Southern California Edison AL 190-G/2991-E filed on December 30, 2013, Southern California Gas Company AL 4582 filed on December 19, 2013, and San Diego Gas and Electric AL 2560-E/2255G filed on December 19, 2013 .

2. Revisions to the tariffs are needed for compliance, and to support the pilots operating as intended by D.13-09-044.
3. A Tier I utility compliance filing is needed to make these required changes to the draft tariff sheets.
4. Non-residential customers whose loans or leases will be subject to these tariffs need timely notice of the ultimate liability of default for failure to pay their loan or lease obligation both for consumer protection purposes and to support the intent of the pilots.
5. The Joint Utilities shall draw up this notice with the approval of the CPUC and CAEATFA, and issue it at the signal of CAEATFA acting as the California Hub for Energy Efficiency Finance, or CHEEF. The notice should be designed specifically for borrowers, and indicate a possible timeline on which disconnection could occur, as well as reference any standard disconnection notices the IOU has discretion to send under Rule 11 and Rule

6. This notice should be coordinated with IOU noticing protocols and practices.
7. PG&E and SCE filed their tariffs proposing to use a waterfall partial payment mechanism which is out of compliance with D.13-09-044.
8. The CPUC might need to make changes to these tariffs after CAEATFA conducts its rulemakings and lender workshops, and the master servicer is hired and able to articulate detailed needs and specifications for communicating between lenders and the Joint Utilities.

THEREFORE IT IS ORDERED THAT:

1. The following Advice Letters are approved as amended here:

Pacific Gas and Electric Company Advice Letter (AL) 3443-G/4338-E filed on December 30, 2013, Southern California Edison AL 190-G/2991-E filed on December 30, 2013, Southern California Gas Company AL 4582 filed on December 19, 2013, and San Diego Gas and Electric AL 2560-E/2255G filed on December 19, 2013 .

2. The Joint Utilities shall file Tier I compliance Advice Letters within 30 days to revise the OBR tariffs as reflected here.
3. The Joint Utilities shall work with the CPUC and CAEATFA before the OBR pilots begin lending to design a letter for borrowers to remind them of their liability for disconnection for failing to pay their debt obligation. The IOUs shall send this letter to non-residential borrowers who are late in making their payments at the signal of the CHEEF, as the CPUC determines is needed based on existing utility protocols and practices for Rule 11 and 9 notifications.
4. PG&E and SCE shall use pro rata partial payment mechanisms in compliance with D.13-09-044.

5. The Joint Utilities shall refile these approved tariffs within 30 days after CAEATFA hires the master servicer, making revisions directed by Commission staff, if Commission staff in consultation with CAEATFA determine it is necessary to make revisions.

This Resolution is effective today.

I certify that the foregoing resolution was duly introduced, passed and adopted at a conference of the Public Utilities Commission of the State of California held on September 11, 2014; the following Commissioners voting favorably thereon:

PAUL CLANON
Executive Director